

# Submission into the Climate Change Authority's Review of the Emissions Reduction Fund

October 2017

Please find attached our new report *Towards Zero Deforestation*, which builds on our submission into the Authority's *Action on the land* paper. It provides a comprehensive overview of the need to protect forests and bushlands, invest substantially in ecological restoration, and reform our deforestation and emissions monitoring and accounting system.

The scope of our report is broader than the Authority's review of the Emissions Reduction Fund, however the context and recommendations are directly related. In our report we effectively propose an alternative model to the Emissions Reduction Fund. This involves the strong regulation of deforestation and land clearing and the strategic investment of public funds with dual carbon drawdown and biodiversity objectives.

While we are strongly supportive of investment in ecological restoration (which the Emissions Reduction Fund is partly addressing through vegetation projects and savanna burning projects), the Emissions Reduction Fund has several major flaws (all of which are expanded upon in our report):

1. **Poor regulation of deforestation and land clearing:** Most of the abatement purchased to date from the Emissions Reduction Fund comes from vegetation projects (122 Mt). Yet deforestation and land clearing is rapidly accelerating, primarily due to the weakening of land clearing laws in Queensland and New South Wales. This seriously undermines the effectiveness of the purchased abatement as it is cancelled out by emissions from deforestation and land clearing (just 2 ½ years worth). Strong regulations on deforestation and land clearing must accompany any investment in land sector abatement.
2. **Offsets undermine effective climate action in other sectors:** The Emissions Reduction Fund is increasingly being geared towards future offset markets. But the land sector should be firewalled from other polluting sectors, in order to maintain the integrity of climate policies across other sectors and to recognise the fundamental difference between the land carbon cycle and fossil fuel cycle. The Emissions Reduction Fund (or replacement, as we advocate) should be a public fund only.
3. **Non-land sectors should be excluded:** The public should not be paying industries and companies - like the mining industry - to reduce their emissions. These industries and companies should be regulated and / or charged for their pollution instead. The land sector is a different case, as there is a substantial public benefit to be gained from large-scale ecological restoration that maximises both carbon and biodiversity outcomes.

4. **Investment is unstrategic from biodiversity point of view:** With regards to vegetation projections under the Emissions Reduction Fund, payments are provided on the basis of least-cost carbon abatement only. This is overlooking a significant opportunity to also maximise biodiversity and restoration priorities, such as restoring vegetation cover in Great Barrier Reef catchments or establishing wildlife corridors for threatened species. In our report we propose a potential model to address this significant shortcoming.

We appreciate that some of these comments and the content in our report may be outside of the scope of your review (which appears to be confined to operational matters only). However, we believe it is important to place the Emissions Reduction Fund within a broader policy context and consider the full suite of reforms necessary.

Please contact Glenn Walker on [glenn.walker@wilderness.org.au](mailto:glenn.walker@wilderness.org.au) for any further questions regarding our report.